



United States Department of Agriculture

Office of the Secretary
Washington, D.C. 20250

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JUN 14 2007

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SUBJECT: Data Encryption and Dual Factor Authentication

On June 23, 2006, the Office of Management and Budget (OMB) issued Memorandum 06-16 (M-06-16) *Protection of Sensitive Agency Information*. The memo recommends that all agencies encrypt all data on mobile computers/devices which carry agency data unless the data is determined to be non-sensitive, in writing, by the Deputy Secretary or an individual he/she designates in writing. The memo also recommends agencies employ the use of dual-factor authentication rather than rely solely on passwords for access controls. The USDA will implement these OMB recommendations

Definition of Sensitive but Unclassified Data.

Sensitive but unclassified data (SBU) is currently defined in Department Regulation 3440-002 and expanded upon in Department Manual 3550-002. SBU data is any information of a sensitive nature, that if publicly disclosed could be expected to have a harmful impact on the security of Federal operations or assets, or the public health or safety of the citizens of the United States. Personally Identifiable Information (PII) is a subset of SBU specifically protected by the Privacy Act of 1974. As indicated in the Office of Management and Budget Memo M-06-19, the term Personally Identifiable Information means any information about an individual maintained by an agency, including, but not limited to, financial transactions, medical history, or criminal history and information which can be used to distinguish or trace an individual's identity, such as their name, social security number, date and place of birth, mother's maiden name, biometric records, etc, including any other personal information which is linked or linkable to an individual.

Encryption software Purchase and Requirements.

The Department will require use of the BPA for every software purchase under the GSA SmartBUY program. The BPA will be available in mid June and will allow agencies to purchase the USDA standard encryption software at a considerable savings. Additional information on encryption software will be provided to you once the BPA is in place.

Laptops.

Agencies will be required to implement the Department standard Federal Information Processing Standard (FIPS) 140-2 compliant whole disk encryption product, on all laptop computers no later than August 31, 2007. Encryption products that have been purchased prior to the date of this memo, that are compliant with the FIPS standard, will also satisfy this requirement. Configurations shall use a key recovery mechanism to allow for data to be restored by authorized personnel in case the key is forgotten or to recover data from devices used by terminated employees.

Removable and Mobile Media Devices.

All removable media devices, such as CDROMs, removable hard drives, and thumb drives containing SBU, including PII, are also required to be encrypted at the FIPS 140-2 standard. Sensitive information stored on mobile devices other than laptops, such as portable digital assistants (PDA) and Blackberries shall employ encryption whenever available. All mobile devices must be password protected or protected by alternate means that provides a greater level of security.

Dual-Factor Authentication.

In addition, the Department is working to establish a requirement for a standard dual-factor authentication on all systems. This second layer of protection is needed to better protect sensitive but unclassified and PII information. The Departmental Administration will be working on a blanket purchase agreement for the procurement of dual-factor authentication equipment based on Departmental requirements.

Project Plan Submission.

Agencies must submit a project plan by July 9, 2007 aimed at compliance with the August 31, 2007 deadline. Agencies that do not submit an approved project plan will be required to have their respective Under Secretary provide in writing to the Deputy Secretary as to why a project plan has not been completed and the expected completion date. We will provide further guidance on project plan requirements by June 22nd.